

SENATOR LAMB: Mr. President, members of the Legislature, I have a concern here that with the committee amendment we have placed the Board in an impossible situation in that part of the committee amendment reinstates the original language on page 4, which states that "the sales and income taxes shall be fixed so that total sales and use taxes levied will be as nearly as possible equal". Okay. Then another part of the committee amendments states that "the Board shall set the rates in such a manner that the total sales and use tax revenues shall not exceed the income tax revenues". It seems to me that the Board is going to have a difficult time to set these exactly as specified under this committee amendment. In one place they're supposed to set it so that they are approximately equal. In the other section it says that they cannot...one tax cannot exceed the other tax. I think I'm going to oppose the bill because I think it is entirely unworkable.

PRESIDENT: Senator Copr.

SENATOR COPE: Mr. President, members, I'm going to oppose the bill simply for this reason, in the six years, averaging this out, there is a variation of about four percent. That is pretty close an average. It isn't going to be.... It will average out so that over a span of ten years or so it probably will be about equal. After all the work and expense I cannot see how it's going to help.

PRESIDENT: Senator Newell.

SENATOR NEWELL: Mr. President, members of the body, I'd like to just point out, to refer to this sheet for a second to show the members of the Legislature that what we're talking about here is not a major shift. The bill has been compromised, and that is as it should be in the legislative process. What I'm trying to avoid, basically, is in a year like 1974 when the total sales and use taxes raised \$123 million versus the income tax which only raised \$99 million. I'm saying, basically, that it should be nearly as equal. The bill states, basically, it should be nearly as equal as possible, except that if they're going to be off, let them be off raising the income tax, which they can raise in \$8 million increments, as opposed to raising the sales tax, which they have to raise in \$32 million increments. I think that, basically, is it. In the last two years you'll find that we had no problem. But the problem where you have the situation where you're \$24 million, or almost one-fourth of the total revenues raised by the State of Nebraska, one-fourth more are raised by the sales tax than by the income tax. I think that's wrong. It should be avoided. They could have been much closer had they raised the income tax, which they could have raised in \$8 million increments and they would have been extremely closer. But, instead, they triggered the \$32 million sales tax increase, which brought in much more revenue than it should have. I think that's the difference there. We're trying to keep the 50-50 tie. But if they're going to be off one side or the other, let them be off the income tax which they can fine tune more. Thank you.

PRESIDENT: Senator DeCamp.